

## **Center for Health Information and Analysis Adult Foster Care Cost Report Directions**

The Center for Health Information and Analysis (the Center) will use the adult foster care (AFC) cost report to establish rates for adult foster care providers, and to complete additional analyses to inform policy-making. Once filed with the Center, these reports become public documents and will be provided upon request to any interested party.

### **What to File**

Providers should file an adult foster care cost report for the fiscal year ended in 2013. To file the report, first, name the Excel file in the format: **AgencyName\_AFCCR13.xlsx**. Then attach it to an email along with the PDF version of the signed Statement of Certification and send both to [hcf.data@state.ma.us](mailto:hcf.data@state.ma.us). Call (617) 988-3238 if you need help completing these forms or if your agency is unable to file via email.

Financial statements for the reporting period must also be filed to satisfy reporting requirements. The financial statements must be completed in accordance with generally accepted accounting principles (GAAP) using the accrual basis of accounting. Supplemental schedules must also be completed in accordance with GAAP. If the numbers on the cost report cannot be traced directly to the financial statements, include a reconciliation of the numbers in the cost report and the financials. The financial statements must be sent concurrently with the electronic submission of the actual report to:

Cost Report Submissions  
Center for Health Information and Analysis  
2 Boylston Street  
Boston, MA 02116

You may also submit a PDF or Microsoft Word document via an email to [hcf.data@state.ma.us](mailto:hcf.data@state.ma.us) to fulfill the requirement for filing financial statements. This is the preferred method. Acceptable documentation includes (in descending order of preference):

1. Audited, reviewed, or compiled financial statements prepared by a Certified Public Accountant.
2. A certification from a Certified Public Accountant attesting to the accuracy and validity of the data reported on the cost report. The CPA must not be a related party to the principal owners or partners of the agency.
3. Copies of tax returns filed with the Internal Revenue Service for the reporting year.

**Only one of the above options is necessary.**

Upon review of the cost report, the Center may require additional information. This information will be considered a component of the cost report subject to the same certification and filing obligation as the initial filing.

## **Who Must File**

Providers of adult foster care that participated in the MassHealth program during their Fiscal Year 2013 must file, unless the provider is exempt from filing for one or more of the following reasons:

1. The provider did not have a complete Fiscal Year 2013;
2. The provider had no MassHealth participation in its FY2013; or
3. The provider received less than \$50,000 in MassHealth revenue in its FY2013.

An agency claiming an exemption on any of the above grounds **must notify CHIA** of the reason for its exemption **in writing**, by letter to the “Cost Report Submissions” address above, or by email to [hcf.data@state.ma.us](mailto:hcf.data@state.ma.us).

**957 CMR 6.19 provides that CHIA may assess penalties against providers who knowingly fail to file cost reports or who knowingly file falsified data. In addition, CHIA may recommend that the Executive Office of Health and Human Services assess penalties, including but not limited to reductions in delinquent providers’ rates of payment.**

## **Multiple site agencies**

Providers that operate more than one facility must list all their sites on the General Information schedule of the cost report, and designate the type of care being given at each site as “AFC,” or in the case of a dual provider, “AFC & GAFC” (Group Adult Foster Care). A separate report must be filed for each site.

## **When to File**

AFC providers must send a properly completed AFC Cost Report via email by **August 8, 2014**. A thirty-day filing extension may be granted for good cause. A written request is necessary preferably *via* email to the following address: [hcf.data@state.ma.us](mailto:hcf.data@state.ma.us). You may also request the extension by mail using the above “Cost Report Submissions” address. Please include the agency’s FAX number in the request, if mailed, so that the Center can FAX its response.

## **How to Submit Cost Report**

Send an email to the Center at the following email address: [hcf.data@state.ma.us](mailto:hcf.data@state.ma.us). Attach to the email:

- 1) Your completed Excel workbook cost report (named in the format: AgencyName\_AFCCR13.xlsx)
- 2) The PDF version of your signed Statement of Certification (named in the format: AgencyName\_AFCCR13.pdf)

In the subject line of the email, enter: “AFC Cost Report from your provider name”. If email is not available to you, please copy the submission file to a diskette or CD and mail it with the required hard copy data to the “Cost Report Submissions” address above.

## **General Instructions**

1. Please read all instructions carefully before preparing the report.
2. The preparer should complete only those schedules, columns and line items that are applicable. Please enter “0” if a schedule, column or line is not applicable to the agency.
3. All dollar amounts should be entered as WHOLE numbers rounded to the nearest dollar.
4. All subtotals and totals will be calculated automatically in the spreadsheet. Please double check the entered numbers and verify that the subtotals and totals are correct.
5. All attachments should be clearly marked to indicate the schedule, column and line item to which they refer.
6. Whenever the term “OTHER” is used, the preparer should list separately, in the space provided in a separate tab, the amount and a brief description of all items that are relevant to the financial statement.
7. Retain a copy of the completed form for your files.

## **Cost Report Training Session**

In early July CHIA will hold a cost report training session in which we will discuss the cost report and how to fill it out in detail. We will be providing examples and answering providers’ questions. Providers will be notified in advance of the details and are encouraged to attend.

## **General Information**

- **Agency Name:** Select the agency’s MassHealth provider name from the drop-down list. If the agency’s name does not appear in the list, then please do both of the following:
  1. Visit <http://www.mass.gov/chia/inet/questions-and-answers.html#register> and follow the instructions to register with INET. (You must complete and fax to the Center (617-727-7662) both forms listed under “INET Data Security and User Agreement Forms for Provider Reporting”: (1) “Business Partner Security Agreement Form (PDF)” and (2) “User Agreement for Other Providers (PDF).”
  2. In the cost report, on the General Information tab, at the top of the data-entry column, click the link that reads “If your agency name DOES NOT appear in the list.” It will take you to another sheet in the cost report where you should type in your organization’s name. Then return to the General Information tab and continue to complete the cost report.
- **Federal Employer Identification Number (FEIN):** Enter the agency’s nine digit FEIN.
- **Business Address:** The main address for the agency.
- **Contact Person:** The name of the person whom the Center should call to answer questions about the cost report.
- **Email Address:** The email address for the contact person.
- **Contact Phone:** The telephone number of the contact person.
- **Annual Report From:** In the space provided, enter the starting date of the agency’s fiscal year for which this Report is prepared.

- Annual Report To: In the space provided, enter the closing date of the agency's fiscal year for which this Report is prepared.
- Service Sites: Enter the address and type of care delivered at each agency site that provides AFC.

## **Schedule A : Revenue**

Line 1A Contributions, Gifts, Bequests: Cash contributions, gifts and bequests to the agency by its benefactors.

Line 2A Private/In-Kind: Contributions, gifts and bequests other than cash recorded at the market value of the item on the date of receipt by the agency.

Line 3A Total Gifts and In Kind Contributions: Sum of lines 1A and 2A.

Line 4A Mass Government Grant: Award of funds from a Commonwealth governmental agency to support or subsidize a particular project, program or the general charitable purposes and activities of the agency.

Line 5A Other grant (excluding federal direct): Award of funds from all other entities except grants received directly from the federal government.

Line 6A Total Grants: Sum of lines 4A and 5A.

Line 7A Commercial/Private 3<sup>rd</sup> Parties: Third-party payments made for services to clients not sponsored by a governmental entity.

Line 8A Government Programs- PACE/SCO: Revenue from government programs PACE and SCO.

Line 9A Private Client Payments: All revenue received from private pay clients.

Line 10A AFC MassHealth Payments: Revenue received from MassHealth AFC clients for per diem services only. Includes MassHealth fee for service, PCC plan.

Enter revenue from the following payers on the appropriate line:

Line 11A MassHealth MCO

Line 12A Medicare

Line 13A Department of Mental Health

Line 14A Department of Developmental Services

Line 15A Department of Public Health

Line 16A Department of Social Services

Line 17A Department of Transitional Assistance

Line 18A Department of Youth Services

Line 19A Total Assistance and Fees: Sum of lines 7A-18A.

Line 20A Interest Income

Line 21A Other Revenue Details: Revenue not falling under any other revenue accounts definition. Space is provided for written explanation on Schedule A1: Other Revenue Details.

Line 22A Total Revenue: Sum of lines 3A+6A+19A + 20A +21A.

## **Schedule B: Staffing Expenses**

**Expenses reported in Schedule B are limited to those related to the Adult Foster Care Program.**

### **Assigning full time equivalents (FTE) for positions:**

FTEs are a measurement of the amount of time employees are paid during the reporting period. If 40 hours defines a full work week, then 40 hours of combined part-time wages earned by several people is 1.00 FTE, 20 hours is 0.5 FTE.

FTEs should be reported in annual terms so that a full-time person hired at mid-year would be reported as 0.5 FTE. Of course, one may have a person working less than 1.00 FTE on an annual basis. If an employee works in multiple job categories within the program (e.g., supervision and direct care), the reported FTE time should be split accordingly. Each job category that shows an FTE number should also have a corresponding salary number and vice versa. **A full time work week is equivalent to 1.00 FTE.**

Example 1: A part-time care manager non-master's (20 hours/week in a 40 hour work week)

Staff	Yearly Salary	FTE	Total Salary
14B Care Manager (non-master)	\$35,000	0.50	\$17,500

Example 2: A nurse who also works 10 hours as a program director

Staff	Yearly Salary	FTE	Total Salary
3B Program Director	\$70,000	0.25	\$17,500
10B Registered Nurse	\$60,000	0.75	\$45,000

### **Weekly Hours**

Line 1B: Report the number of hours of work per week considered full time. For example, if an FTE is expected to work 40 hours per week, enter 40.

### **Indirect Staff:**

A staff position is considered "indirect" if its primary function is not to provide direct service to program members.

Line 2B Chief Executive Officer: The person responsible for the overall operation of the agency in which the AFC operates. If the AFC is not part of a larger agency this may also be the person charged with overall direction of the AFC program.

Line 3B Chief Financial Officer/Business Manager: The person charged with maintaining the agency's financial records.

Line 4B Program Director: An individual who has overall responsibility for the daily operation of the AFC program.

Line 5B Assistant Program Director: An individual who reports directly to the Program Director, acts for the Program Director in his/her absence and functions as an advisor/assistant to the Program Director.

Line 6B Supervising Professional/Program Manager: The person charged with supervising the Direct Care Staff.

Line 7B Administrative Staff: Personnel who tend to the clerical functions of the program.

Line 8B Office Maintenance & Janitorial Staff: Office maintenance and grounds keepers.

Line 9B Other Indirect Staffing Expense Details: Click on the link to Schedule B1 to enter details of other indirect staff positions not listed above.

Line 10B Indirect Staff Totals: Sum of lines 2B-9B.

### **Direct Staff:**

#### **Function vs. title - assigning direct staff**

Direct care/program staff classification is determined by the program function performed. For example, a licensed physician should be classified as a "Physician" only if the physician provides medical care to the clients of the program. If a physician performs the functions of a "Program Director," then the physician should be included in that job category.

Line 11B Registered Nurse: The nurse responsible for the initial clinical assessment and on-going evaluation of a member's progress in the AFC program. Must be a registered nurse licensed by the MA Board of Registration in Nursing. This person may also function as a program director.

Line 12B Licensed Practical Nurse: Administers nursing services and oversight under the supervision of the registered nurse and participates in the implementation of the member's plan of care. Must be a licensed practical nurse licensed by the MA Board of Registration in Nursing. This person may not function as a program director.

Line 13B Certified Nursing Assistant: Under the supervision of a licensed nurse, assists the client with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs).

Line 14B Care Manager (master's): The care manager is responsible for the psychosocial and counseling assistance for the AFC program. The care manager must have a master's degree and social worker license from the MA Board of Registration in Social Work. This person may also function as a program director.

Line 15B Care Manager (non-master's): The care manager is responsible for the psychosocial and counseling assistance for the AFC. The care manager must have a baccalaureate degree and social worker license from the MA Board of Registration in Social Work, or a bachelor's degree and two years clinical experience in the care of elderly or disabled persons.

Line 16B Other Direct Staffing Expense Details: Click on the link to Schedule B2 to enter details of other direct staff positions. For example, direct care staff other than caregivers and alternate

caregivers who provided services at home, such as those supported by the Department of Developmental Services (DDS).

Line 17B Direct Staff Totals: Sum of lines 11B-16B.

Line 18B Total Indirect & Direct Staff: Sum of Lines 10B and 17B.

Line 19B AFC Notes: Please include any detail relevant to Staffing expenses here. Also list type of staff and expense.

### **Schedule BA: Caregiver Stipends**

Line 1BA Caregiver Level 1: Those responsible for providing direct care and supervision of members who meet the level 1 clinical eligibility requirements described in 130 CMR 408.417. This expense is used for primary caregivers. Primary caregivers are qualified individuals regularly residing with the AFC Member in the qualified setting except in circumstances of temporary absence or alternative placement. Expenses incurred for caregiver coverage as a result of temporary absence of the primary caregiver(s) should be reported on Line 3BA – see Alternate Caregivers. Report only the total stipend expense. (Items related to yearly salary, FTE, payroll taxes, fringe benefits, and accrual adjustments do not apply.)

Line 2BA Caregiver Level 2: Those responsible for providing direct care and supervision of members who meet the level 2 clinical eligibility requirements described in 130 CMR 408.417(B)(1) through (6). This expense is used for primary caregivers. Primary caregivers are qualified individuals regularly residing with the AFC Member in the qualified setting except in circumstances of temporary absence or alternative placement. Expenses incurred for caregiver coverage as a result of temporary absence of the primary caregiver(s) should be reported on Line 4BA – see Alternate Caregivers. Report only the total stipend expense. (Items related to yearly salary, FTE, payroll taxes, fringe benefits, and accrual adjustments do not apply.)

Line 3BA Alternate Caregiver Level 1: Temporary caregivers providing direct care for level 1 members who meet the level 1 clinical eligibility requirements described in 130 CMR 408.417. Alternate caregivers do not regularly reside with the AFC Member in the qualified setting and relieve the primary caregiver(s) of their direct care duties. The alternate caregiver expense includes expenses incurred as a result of an ‘alternative placement’ where the Member is placed in an alternative setting to receive temporary care from an alternate caregiver. Report only the total stipend expense. (Items related to yearly salary, FTE, payroll taxes, fringe benefits, and accrual adjustments do not apply.)

Line 4BA Alternate Caregiver Level 2: Temporary caregivers providing direct care for level 2 members who meet the level 2 clinical eligibility requirements described in 130 CMR 408.417(B)(1) through (6). Alternate caregivers do not regularly reside with the AFC Member in the qualified setting and relieve the primary caregiver(s) of their direct care duties. The alternate caregiver expense includes expenses incurred as a result of an ‘alternative placement’ where the Member is placed in an alternative setting to receive temporary care from an alternate caregiver. Report only the total stipend expense. (Items related to yearly salary, FTE, payroll taxes, fringe benefits, and accrual adjustments do not apply.)

Line 5BA: Total Payment / Stipend: Sum of Lines 1BA to 4BA.

Line 6BA: Stipend Range (Minimum): Enter the lowest stipend (daily amount) paid to a caregiver this year.

Line 7BA: Stipend Range (Maximum): Enter the highest stipend (daily amount) paid to a caregiver this year.

Line 8BA: Number of Unduplicated Members: Enter the total number of unduplicated members served this fiscal year, by service type.

### **Schedule C: Non-Salary Related Expenses**

**Expenses reported in Schedule C are limited to those related to agency expenses.**

Line 1C Staff training: Formal instruction to meet professional continuing education requirements to satisfy program licensure requirements or to enable direct care staff to acquire and maintain acceptable levels of knowledge, skill and proficiency for the routine performance of their assigned functions.

Line 2C Staff mileage/travel: Direct care staff travel within the normal scope of the staff members' assigned duties. This category includes use of a staff member's own vehicle, as well as public transportation.

Line 3C Program supplies & materials: Expenses related to supplies and materials and expendable items of equipment and furnishings that are not depreciable and are routinely needed for ongoing direct client care or program service delivery.

Line 4C Legal Fees: All fees incurred by the organization for the legal services of an attorney (does not include lobbying or collection fees). If you employ staff serving in this capacity, report the salary under schedule B indirect staffing under "other indirect" (Line 8B). Include description "Legal Staff" for the line item.

Line 5C Accounting Fees: Fees incurred for accounting services. If you employ staff serving in this capacity, report the salary under schedule B indirect staffing under "other indirect" (Line 8B). Include description "Accounting Staff" for the line item.

Line 6C Marketing & Advertising Fees: Expenses incurred for promotion of program products and services. If you employ staff serving in this capacity, report the salary under schedule B indirect staffing under "other indirect" (Line 8B). Include description "Marketing Staff" for the line item.

Line 7C Dues and Subscriptions: Expenses incurred for memberships in professional organizations or for periodicals related to the agency's function.

Line 8C Office & equipment expenses: Office supplies and materials and expendable items of equipment and furnishings.



Line 9C Movable equipment depreciation: Depreciation expense associated with program equipment and furnishings. Movable equipment may include furniture, office equipment, and motor vehicles, etc.

Line 10C Fixed equipment depreciation: Depreciation expense associated with program fixed equipment. Fixed equipment may include central air conditioning systems, elevators, and the wiring for telephone systems, etc.

Line 11C Other Taxes: Taxes other than those associated with payroll and occupancy of the agency's space. Other taxes may include excise tax and sales tax, etc.

Line 12C Equipment Repair and Maintenance: Expenses related to preventing equipment from failing unexpectedly, or for returning failed equipment to a functional state.

Line 13C Malpractice insurance: Insurance premiums to insure the agency from claims resulting from allegations of errors in the care of clients.

Line 14C Dietary expenses: Food-related expenses for AFC clients.

Line 15C Vehicle expenses: Any expense, except depreciation, that is associated with the purchase, operation and maintenance of vehicles owned and leased by the organization for the transport of clients, and to fulfill program needs other than for administrative purposes.

Line 16C Admin M&G: Expenses allocated to the agency from a parent or management company for providing administrative oversight.

Line 17C Occupancy Expenses: Click on the link to Schedule C1 to enter details of occupancy expenses.

1. Real Estate Taxes: Tax expense for the agency's real property.
2. Facility Repair and Maintenance: Expenses related to preventing facilities from falling into disrepair, or for returning facilities to a functional state.
3. Property Insurance: Premiums paid to insure the agency from damages to its property.
4. Building Depreciation: Depreciation associated with buildings owned by the agency.
5. Facility Rent: The expense for leasing or renting the facility in which the agency operates.
6. Utilities: Expenses for heat, power, water, and telephone, etc.
7. Facility Mortgage Interest: Interest paid on mortgages for the facility owned by the agency.
8. Other Occupancy Expense: Expenses related to the premises in which the agency operates that are not enumerated above.
9. Total Occupancy Expenses: Sum of 1-8.

Line 18C Other Non-Salary Related Expense Details: Click on the link to Schedule C2 to enter details of other non-salary expenses.

Line 19C Total Non-Salary Related Expenses: This is the total of the entries above. No input is required.

Line 20C Non-reimbursable Expense Details: Click on the link to Schedule C3 to enter the detail of expenses that are not reimbursable. These items include tax penalties and other late fees, provision for bad debts, and collection fees, etc.

### **Summary of Revenues, Expenses, Operating Results and Margins**

**You do not need to enter any data onto this sheet, as the fields will automatically draw data from other sheets in the workbook.**

The purpose of this sheet is to clearly show the overall revenue and expense structure of your agency, as well as the operating results (total revenues minus total expenses) and margin (operating results divided by total expenses) expressed as a percent.

**If you notice that your total revenues, expenses, operating results and / or margin are not consistent with your understanding of your agency's revenue / expense structure and profitability, you should double-check your work on the other sheets of this report and correct any errors. If necessary, you should double-check the accuracy of the underlying data that you are recording on this report.**

Remember, without accurate data, we cannot develop accurate reimbursement rates.

### **Statement of Certification**

The owner, partner or officer of the agency should read the paragraph that attests to the accuracy of the report, list the owner, partner, or officer's name and title on the designated lines, and then date it. If a person other than the owner, partner, or officer completes this report, the box with the preparer's required information must be completed in the same manner.

The owner, partner, or officer accepts the dating of the report and the submission of this data to the Center as certification under the pains and penalties of perjury.

Please **print only the "Statement of Certification" page**, sign it, scan it, save it as a PDF file, and then email the PDF file along with the completed Excel workbook cost report to [hcf.data@state.ma.us](mailto:hcf.data@state.ma.us). Remember to name the Excel document in the format: AgencyName\_AFCCR13.xlsx, and the PDF document in the format: AgencyName\_AFCCR13.pdf.